

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223



SAN GORGONIO PASS
WATER AGENCY
A California State Water Project Contractor

Regular Meeting of the Board of Directors
August 18, 2025 at 6:00 p.m.

***Secretary Walton will be participating via teleconference
from the following location:***
150 W Center St
Kanab, UT 84741

AGENDA

*This meeting is being held virtually and in person.
Link and telephone option provided is available for the
convenience of the public.*

TO JOIN VIA ZOOM: [Zoom Link Board Meeting](#)

TO JOIN THE MEETING BY TELEPHONE

CALL: 669-900-6833 | MEETING ID: 926 3191 5535

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda may submit comments by emailing mcabral@sgpwa.com or may do so during the meeting. Comments will become part of the Board meeting record.

****In order to reduce feedback, please mute your audio when you are not speaking.***

*Esta reunión se llevará a cabo virtualmente y en persona.
El enlace y la opción telefónica proporcionada
es para la comodidad del público.*

PARA UNIRSE VÍA ZOOM: [Zoom Link Board Meeting](#)
PARA UNIRSE A LA JUNTA CON LA OPCIÓN TELEFONICA
LLAMAR: 669-900-6833 | ID DE REUNIÓN: 926 3191 5535

Los miembros del público que deseen comentar sobre cualquier tema dentro de la jurisdicción de la Agencia o cualquier tema en la agenda pueden enviar comentarios por correo electrónico a mcabral@sgpwa.com o pueden hacerlo durante la reunión. Los comentarios pasarán a formar parte del registro de la reunión de la Junta.

****Para reducir los comentarios, silencia el audio cuando no estés hablando.***

- 1. Call to Order, Invocation and Pledge of Allegiance**
- 2. Roll Call**
- 3. Adjustment and Adoption of Agenda**
- 4. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. There will be an opportunity to comment on specific agenda items,

President
Mickey Valdivia

Vice President
Chander Letulle

Treasurer
Robert Ybarra

Secretary
Kevin Walton

Directors
Dr. Blair M Ball
Sarah Wargo
Larry Smith

General Manager
Lance Eckhart,
PG, CHG

Legal Counsel
Holland Stewart

as the items are addressed. Speakers are requested to keep their comments to no more than five (5) minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow-up.

5. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approve Minutes of the August 4, 2025, Regular Meeting of the San Gorgonio Pass Water Agency Board of Directors, [\(pg. 4\)](#)
- B. Authorize the General Manager to Pre-Fund Heli-Hydrant Installations, [\(pg. 9\)](#)

6. Reports – Staff

- A. General Manager's Report
- B. General Counsel's Report

7. Informational Presentations and Updates:

- A. Water Conditions Report, [\(pg. 12\)](#)

8. New Business – Discussion and Possible Action

- A. Authorize the General Manager to Execute Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency and Antelope Valley-East Kern Water Agency, [\(pg. 21\)](#)

9. Reports – Directors and Committees

10. Board Requests for Future Agenda Items

11. Closed Session Agenda

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Gov. Code § 54956.9(d)(1))
CV Communities, LLC v. Antelope Valley-East Kern Water Agency, et al., Los Angeles County Superior Court, Case No. 20STCB10953

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Gov. Code § 54956.8)
Property: Water Rights/Supplies
Agency Negotiator: Lance Eckhart, General Manager
Negotiating Parties: San Bernardino Valley Municipal Water District
Under Negotiation: Price and Terms of Payment

12. Reconvene

- A. Report out of Closed Session

13. Announcements

- A. Urban Water Institute Annual Conference, August 20, 2025
- B. Finance & Budget Committee Meeting, August 28, 2025, at 10:00 a.m.
- C. Office closed September 1, 2025, in observance of Labor Day
- D. Regular Board Meeting, September 8, 2025, at 1:30 p.m.
- E. Regular Board Meeting, September 15, 2025, at 6:00 p.m.

14. Adjournment

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Status</i>
Agency Law Workshop	Walton	5/5/25	
Heli-Hydrant Dedication to Fallen Firefighter(s)	Walton	6/16/25	

(1) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be made available on the Agency's website, accessible at: www.sgpwa.com (2) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223

Official Minutes
Board of Directors Regular Meeting
August 4, 2025

THIS MEETING WAS HELD IN PERSON,
WITH PUBLIC AVAILABILITY PROVIDED VIA ZOOM

1. Call to Order, Pledge of Allegiance, and Invocation

The San Gorgonio Pass Water Agency Board of Directors meeting was called to order by Board President Mickey Valdivia at 1:30 p.m., Monday, August 4, 2025, at the office of the Agency. Director Smith provided the invocation, and Treasurer Ybarra led the Pledge of Allegiance.

2. Roll Call

President Valdivia requested a roll call.

Board Present:

Mickey Valdivia, President
Chander Letulle, Vice-President
Robert Ybarra, Treasurer
Kevin Walton, Secretary – via teleconference
Blair M Ball, Director – arrived at 1:36 p.m.
Sarah Wargo, Director
Larry Smith, Director

Staff Present:

Lance Eckhart, General Manager
Thomas Todd, Jr., Chief Financial Officer
Maricela Cabral, Exec. Asst./Clerk of the Board
Emmett Campbell, Sr. Water Resources Planner

Consultants Present:

Holland Stewart, Legal Counsel
Jeff Ferre, Legal Counsel

A quorum was present.

Counsel Stewart confirmed with Secretary Kevin Walton that the Brown Act requirements for teleconference meetings were adhered to for Secretary Kevin Walton's participation from the following location: 3744 S. Carlisle Park Place #3, South Salt Lake City, Utah, 84119.

3. Adoption and Adjustment of Agenda

The agenda was adopted as published.

4. Public Comment

No public comment received.

5. Consent Calendar

- A. Approve Minutes of the July 21, 2025, Regular Meeting of the San Geronio Pass Water Agency Board of Directors
- B. Approve Finance and Budget Committee Meeting Report for July 2025

On a motion by Treasurer Ybarra, seconded by President Valdivia, the board approved the Consent Calendar as presented.

Approved by the following roll call vote:

Ayes: Smith, Walton, Wargo, Ybarra, Letulle, Valdivia

Noes: None

Absent: None

Abstain: Ball

Motion passed 6-0-1.

6. Reports

A. General Manager's Report

General Manager, Lance Eckhart reported on the following:

- 1. July 23, 2025, presentation to the San Geronio Pass Regional Water Alliance on regional economic health, featuring Beacon Economics data
- 2. Upcoming presentation by Dr. Christopher Thornberg of Beacon Economics
- 3. Update on the progress of the Urban Water Management Plan, with potential collaboration from local agencies
- 4. Reminder of the August 8, 2025, Southern California Water Conference where he will lead a session on emergency preparedness

B. Legal Counsel's Report

Counsel Stewart had no report.

7. New Business – Discussion and Possible Action:

A. Reject the bid from Borden Excavating Inc., as non-responsive, acknowledge James McMinn, Inc. bid protest, and Award a Construction Contract to James McMinn, Inc., as the lowest responsive and responsible bidder for the Construction of the County Line Road Recharge Basin Project, in the amount of \$4,987,952.82, and approve Resolution No. 2025-06

Sr. Water Resources Planner Campbell reviewed the bid history for the County Line Road Recharge Basin Project in Calimesa. Six bids were received; the engineer's estimate was \$5 million. The apparent low bidder, Borden Excavating, Inc., and the second lowest bidder, James McMinn Inc. (JMI), submitted bids close to the estimate. After initial review, a Notice of Intent to Award was sent to Borden on July 24, 2025. The next day, JMI submitted a bid protest citing Borden's failure to include the required percentage of work for each subcontractor in their bid forms.

Legal Counsel Vasquez (BB&K), explained that under applicable case law (including *Valley Crest Landscape* and *MCM Construction*), omitting subcontractor percentage allocations constitutes a material deviation because it allows the bidder to withdraw without forfeiting its bid bond. This is a non-waivable defect under Public Contract Code § 5103. While Borden provided the percentages within nine minutes of the

Agency's request, this occurred after bid opening and could not cure the defect. JMI's bid was also reviewed; minor irregularities were found but deemed waivable.

The following individuals provided comment on the item:

- Bryce Borden
- Gerald Mouzis
- Jim Tickemyer
- Brett Granlund

The board took a recess at 2:35 p.m. to review supplemental communication; President Valdivia reconvened the meeting at 2:40 p.m.

The board discussed the awarding of the construction contract, fairness concerns, potential delays from legal challenges, and irregularities in both bids. The Board agreed on the need to safeguard ARPA funding timelines while upholding the integrity of the competitive bid process.

Primary Motion:

Motion was made by President Valdivia, seconded by Director Smith, to reject the bid from Borden Excavating, Inc., as non-responsive, acknowledge James McMinn, Inc. bid protest, and Award a Construction Contract to James McMinn, Inc., as the lowest responsive and responsible bidder for the Construction of the County Line Road Recharge Basin Project, in the amount of \$4,987,952.82, and approve Resolution No. 2025-06.

Roll call vote:

Ayes: Smith, Valdivia

Noes: Walton, Wargo, Ybarra, Letulle, Ball

Absent: None

Motion failed 2-5.

Secondary Motion:

Motion was made by Director Ball, seconded by Secretary Walton, to reject all bids and rebid the County Line Road Recharge Basin Project.

Roll call vote:

Ayes: Walton, Wargo, Ybarra, Letulle, Ball

Noes: Smith, Valdivia

Absent: None

Motion passed 5-2.

8. Reports - Directors and Committee Report

The following meetings were reported on:

- July 22, 2025, Cabazon EIFD meeting (Wargo)
- July 23, 2025, San Geronio Pass Water Alliance Meeting (Wargo)
- July 24, 2025, Finance & Budget Committee Meeting (Walton)
- July 24, 2025, Beaumont-Cherry Valley Water District Engineering Workshop (Wargo & Ball)

Director Ball announced that arrangements are underway to schedule a Board Handbook Committee meeting.

Directors Smith, Ybarra, Letulle, and Valdivia had no report.

9. Topics for Future Agendas

Secretary Walton inquired about scheduling the annual Pass Water Agency Foundation meeting in September.

10. Closed Session Agenda

A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

Two potential cases

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Government Code Section 54956.8

Property: Water rights/supplies – Eastside Water Bank

Agency negotiator: Lance Eckhart, General Manager

Negotiating parties: Antelope Valley-East Kern Water Agency

Under negotiation: price and terms of payment

C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Title: General Counsel

11. Reconvene

A. Report out of Closed Session

President Valdivia reconvened the meeting into Open Session. Counsel Stewart reported there was no reportable action on items 10.A, 10.B, or 10.C. Counsel Ferre announced Best Best & Krieger will continue as General Counsel, with Holland Stewart designated as primary counsel.

12. Announcements

President Valdivia reviewed the following announcements:

A. Southern California Water Conference, August 8, 2025 at 7:00 a.m.

B. Water Conservation & Education Committee Meeting, August 12, 2025 at 1:30 p.m.

C. Regular Board Meeting, August 18, 2025 at 6:00 p.m.

D. Urban Water Institute Annual Conference, August 20, 2025

E. Finance & Budget Committee Meeting, August 28, 2025 at 10:00 a.m.

F. Office closed September 1, 2025, in observance of Labor Day

13. Adjournment

There being no further business to discuss, President Valdivia adjourned the meeting at 4:30 p.m. The next regularly scheduled meeting is Monday, August 18, 2025, at 6:00 p.m.

Maricela V. Cabral, CMC, CPMC
Deputy Secretary of the Board

DRAFT

San Gorgonio Pass Water Agency

DATE: August 18, 2025
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: AUTHORIZE GENERAL MANAGER TO PRE-FUND HELI-HYDRANT INSTALLATIONS

RECOMMENDATION

Authorize the General Manager to facilitate the installation of Heli-Hydrant facilities by taking any and all necessary actions including pre-funding of contractor requirements.

PREVIOUS CONSIDERATION

- Board of Directors – June 12, 2025: Ribbon-Cutting event demonstrating the first Cabazon Heili-Hydrant installation.
- Board of Directors – November 18, 2024: The Board authorized the execution of the Heli-Hydrant Installation and Maintenance agreement with Cabazon Water District.
- Board of Directors – October 7, 2024: The Board authorized the ARPA funding agreement between the Agency and Riverside County for the construction of Heli-Hydrant systems.

BACKGROUND

The Board has been very involved and supportive of the Heli-Hydrant initiative. As a result of Board member interaction and efforts, two Heli-Hydrant installations have been completed.

At the present time, five other installations are contemplated and funded by ARPA appropriations and funds from Riverside County. Discussions with local water retailers are ongoing and the remaining five installations are in various stages of planning and construction.

However, local retailers installing these are the same water systems that have applied for financial support through the Gap Funding Program. These retailers have a demonstrated financial constraint related to grants, specifically, the amount of time between the expenditure of funds and the reimbursement of those funds.

ANALYSIS

Riverside County has approved \$2.1 million (\$1.8M via ARPA funds; \$300K via County funds) for the installation of seven Heli-Hydrant installations. Cabazon Water District has completed the installation of two Heli-Hydrants. Reimbursement requests have been submitted to Riverside County, and reimbursement has been received for the first installation. Riverside County has been helpful and responsive to our efforts and has begun processing grant reimbursements for Agency in a fairly timely manner.

On the other hand, local water districts have fairly limited reserves, and might not have the cash flow necessary to sustain their normal operations and be involved in a significant construction project. The time between paying the invoices and receiving reimbursement for those invoices may pose a financial problem.

The Agency can assist the installation Heli-Hydrant facilities by providing funds for the deposits, and if necessary, the final invoices for contractor installing the Heli-Hydrants. The risks to the Agency could be delayed reimbursements from the County, or not receiving reimbursement altogether.

Given that the funds have been allocated to the Heli-Hydrant project and the County has been reasonably prompt in repayment, the risk to the Agency of not receiving reimbursement for the project, or having to 'float' the funds for a lengthy time seem relatively small at this time.

In addition, considering the short time-frame available to complete the installations due to funding requirements, it is even more important to consider ways the Agency can facilitate the project.

The Board has demonstrated strong support for local water systems in a number of ways. Specifically, to name a few, the Agency has contracted with the California Rural Water Association to provide assistance to local water systems with analysis, operations staffing, and grant research and application services. The Board has supported and authorized the Gap Funding Program. The Agency is currently involved in a developing a multi-agency recharge facility.

The Heli-Hydrant agreement previously authorized by the Board allows the Agency to work with the retailer to provide financial assistance during the reimbursement process. The proposed authorization goes one step further to provide funds in advance of the reimbursement process. Pre-funding will not circumvent any Staff requirements for construction documentation to assure grant reimbursements.

Providing pre-funding and contracting assistance to local water retailers for the Heli-Hydrant systems may be another way the Agency could show its commitment to meeting regional objectives of infrastructure improvements and general support of community projects.

STRATEGIC PLAN NEXUS

Strategic Goal 6: Maintain, foster, and expand collaboration with local, regional, state, tribal and federal partners to develop strategic solutions to water supply challenges and opportunities.

Objective 1: Coordinate with other agencies and organizations on grants and multi-partner project opportunities.

FISCAL IMPACT

Any amounts pre-funded would come from the General Fund and be handled in a similar manner as the Gap Funding Program. Staff expect to receive funds more quickly than has been experienced with the Gap Funding program, based on experience.

The potential amount the Agency would extend could be \$1.2 million, based on the completion and reimbursement of the Cabazon Heli-Hydrant systems.

ACTION

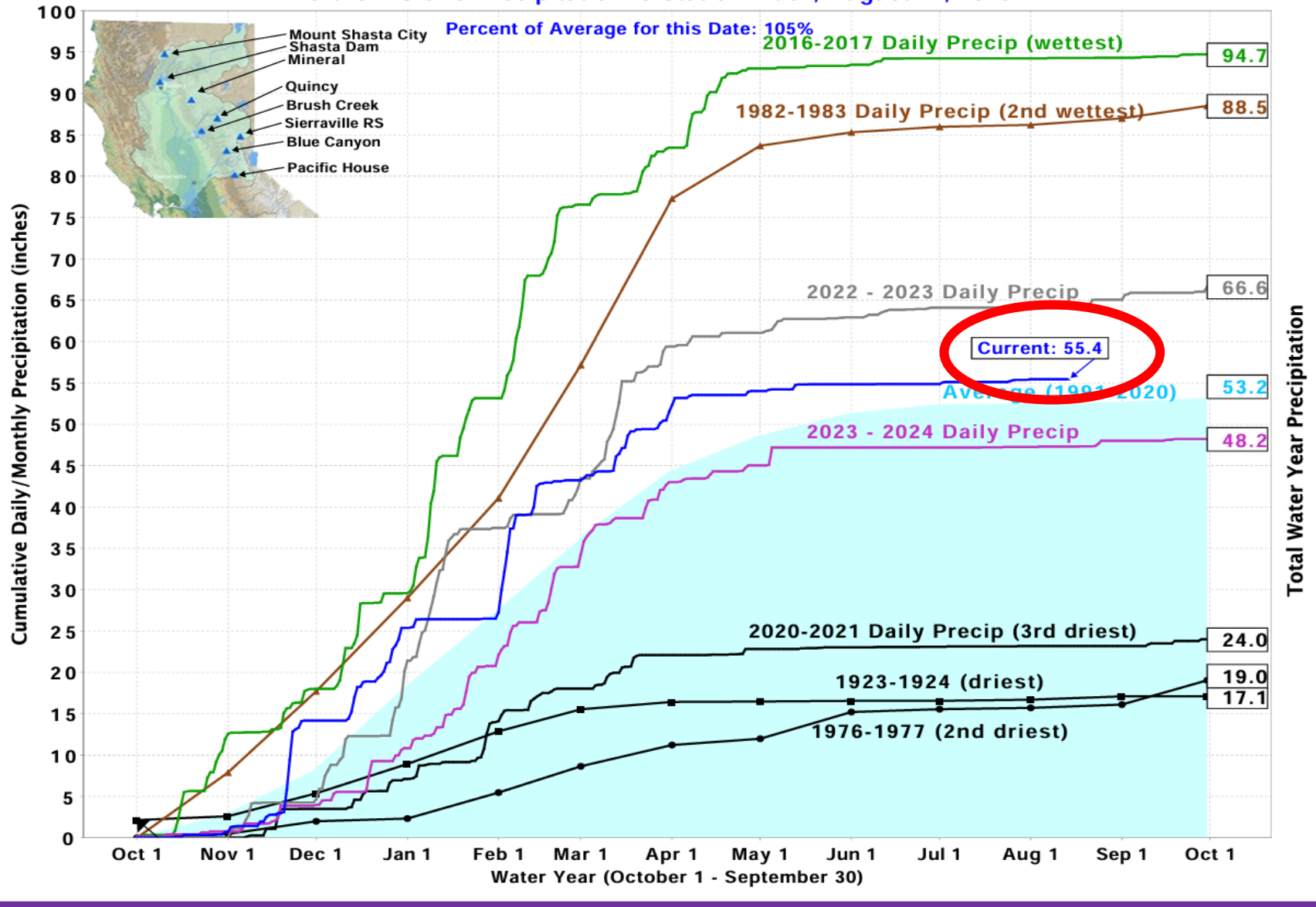
Authorize the General Manager to facilitate the installation of Heli-Hydrant facilities by taking any and all necessary actions including pre-funding of contractor requirements.

Water Conditions Report

Board of Directors Meeting
August 18, 2025



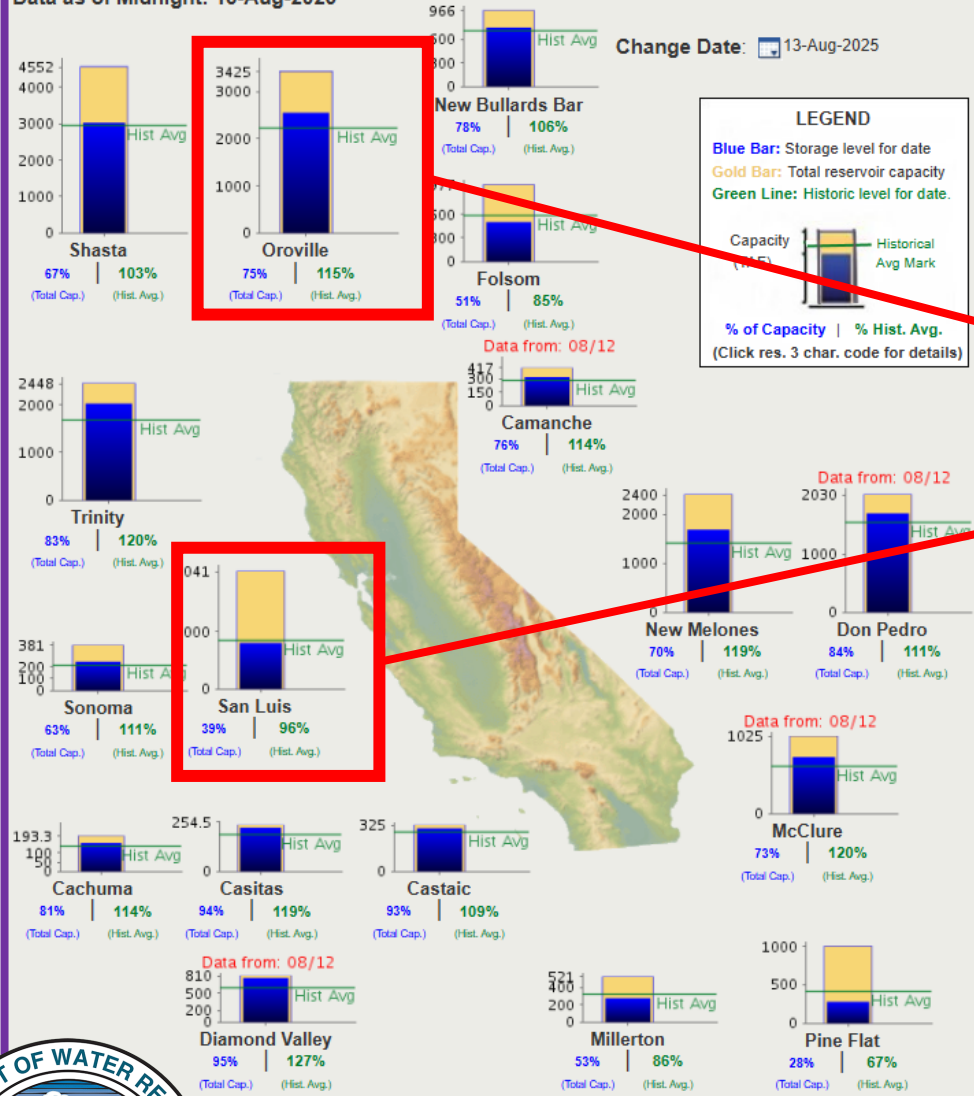
Northern Sierra Precipitation: 8-Station Index, August 14, 2025



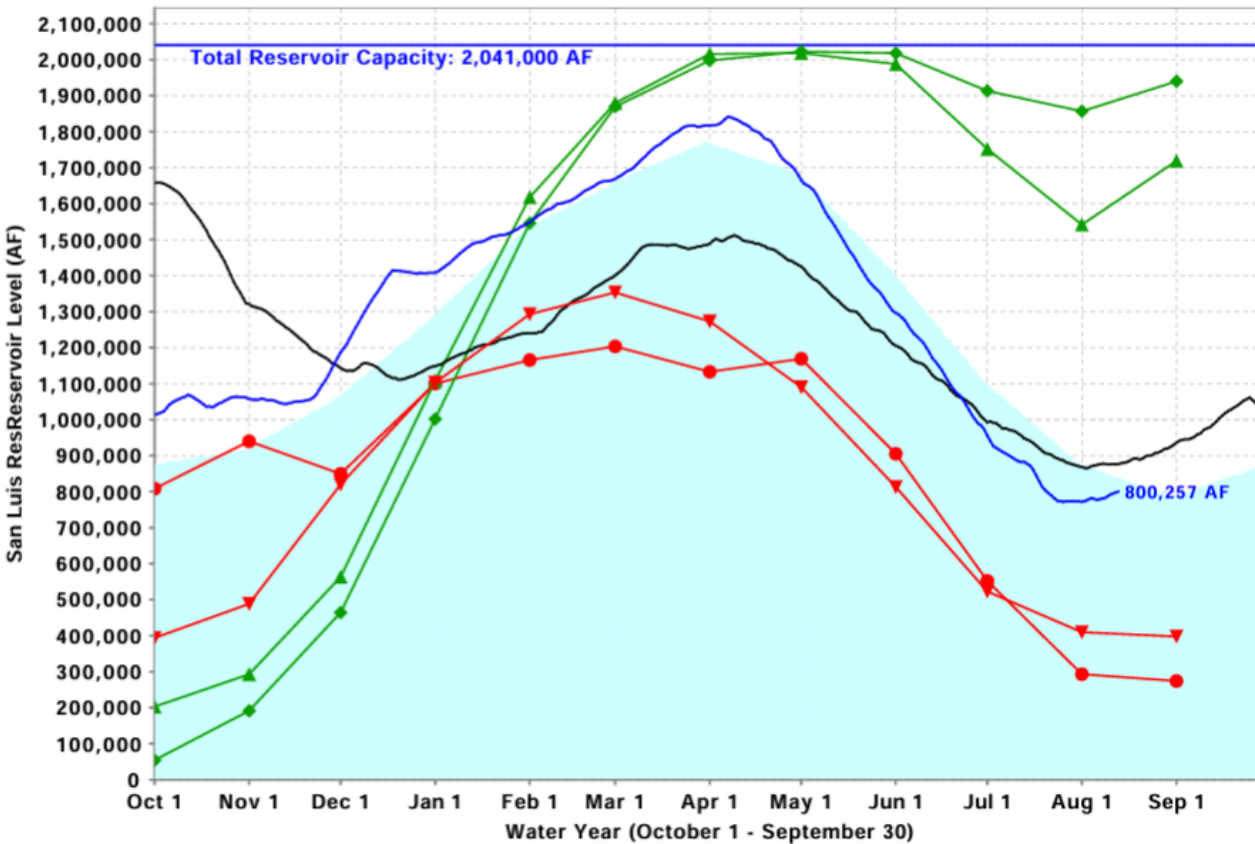
Precipitation Stations – North Sierra

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:13-AUG-2025

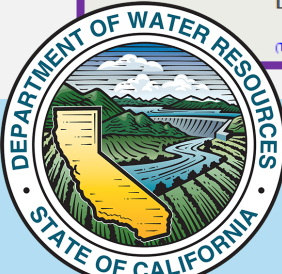
Data as of Midnight: 13-Aug-2025



San Luis Res Levels: Various Past Water Years and Current Water Year, Ending At Midnight August 13, 2025



■ Historical Average
 — Total Reservoir Capacity
 ● 1976-1977
 ▲ 1977-1978
 ◆ 1982-1983 (Wettest)
 — 2023-2024
▼ 2014-2015 (Driest)
— Current: 2024-2025



Current Reservoir Conditions

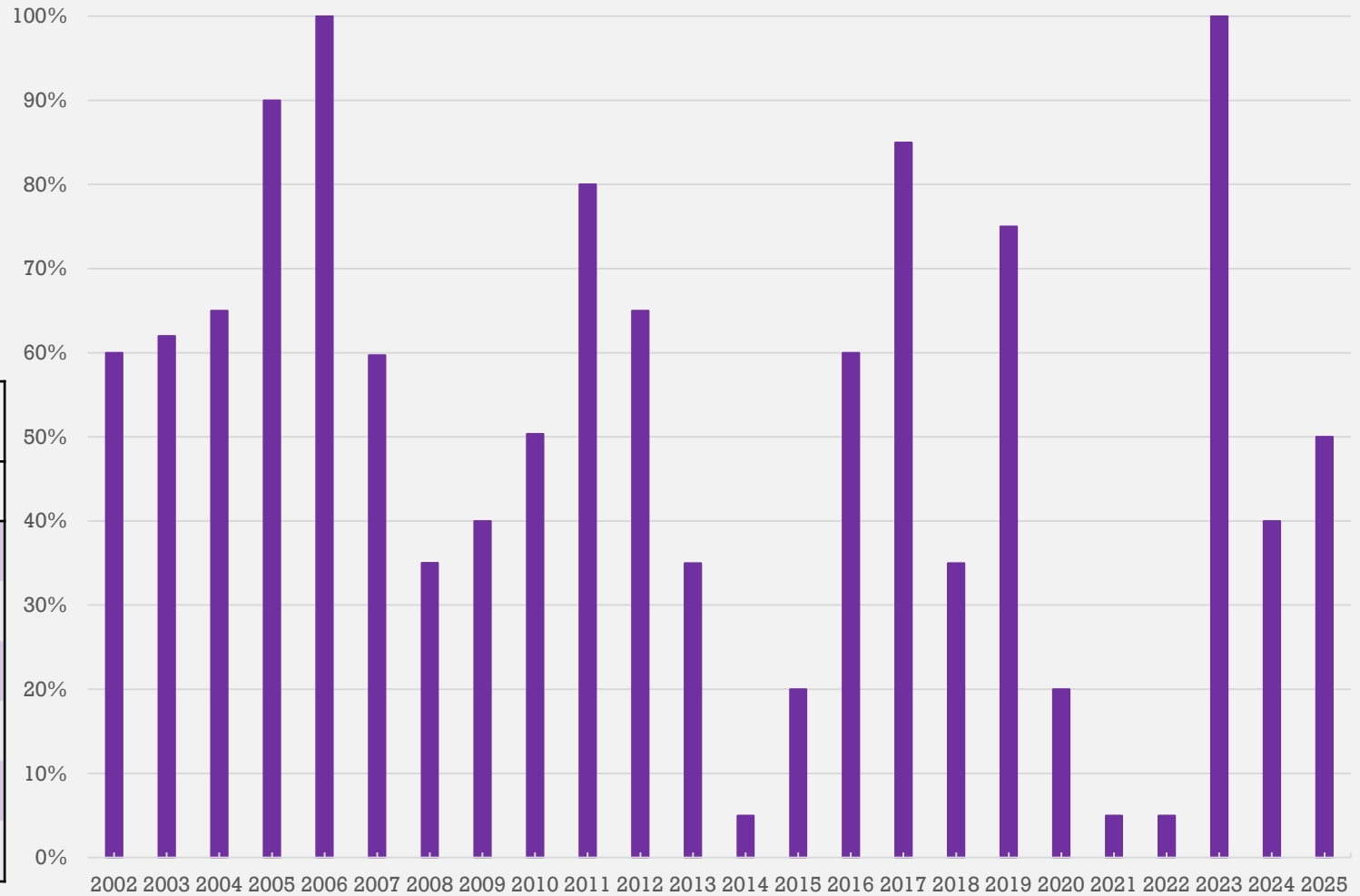


SWP Allocation Timeline

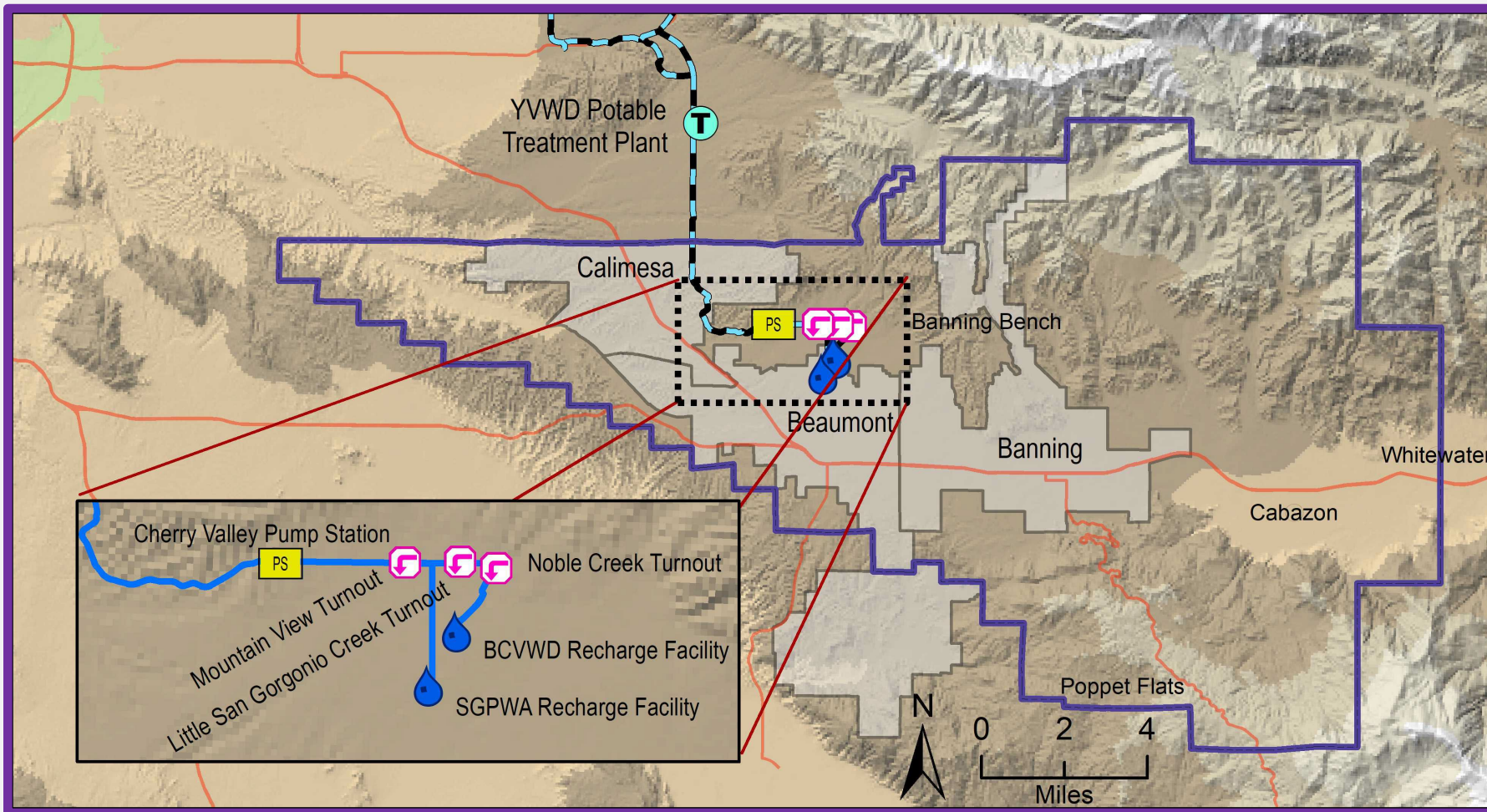
- December 2, 2024: 5% Allocation
- December 23, 2024: 15% Allocation
- January 28, 2025: 20% Allocation
- February 25, 2025: 35% Allocation
- March 25, 2025: 40% Allocation
- April 29, 2025: 50% Allocation

SGPWA Portfolio @ 50%		
Source	Total (AF)	Delivered
SWP – Carryover	1,217	✓
SWP – Table A	8,650	✓
SWP – Ventura	5,000	✓
Non-SWP - Nickel Water	1,700	✓
City of Yuba City Purchase	3,000	✓
Total Available Supply	19,567	

Historic SWP Allocations



2025 SWP Allocation & Portfolio Update



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Recharge	53	1,034	2,306	1,973	1,515	2,052	1,789	2,100					12,822
Direct	0	0	13	0	0	0	0	0					13

**Estimated*
**From Local Storage*

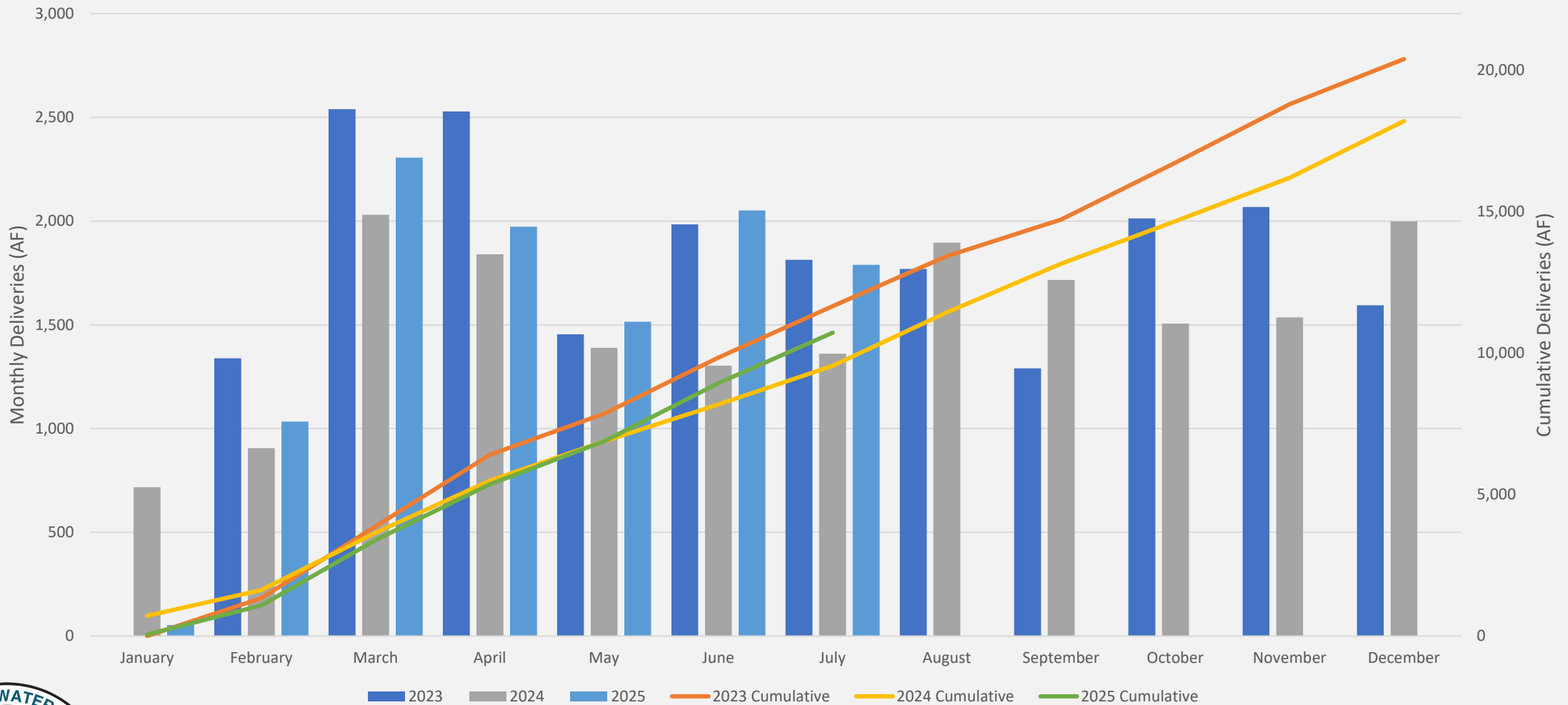


Local Deliveries 2025 (acre-feet)

Subject to Final Verification



2023-25 SGPWA SWP Deliveries



Annual Comparison of SWP Deliveries



Brookside East Recharge Facility



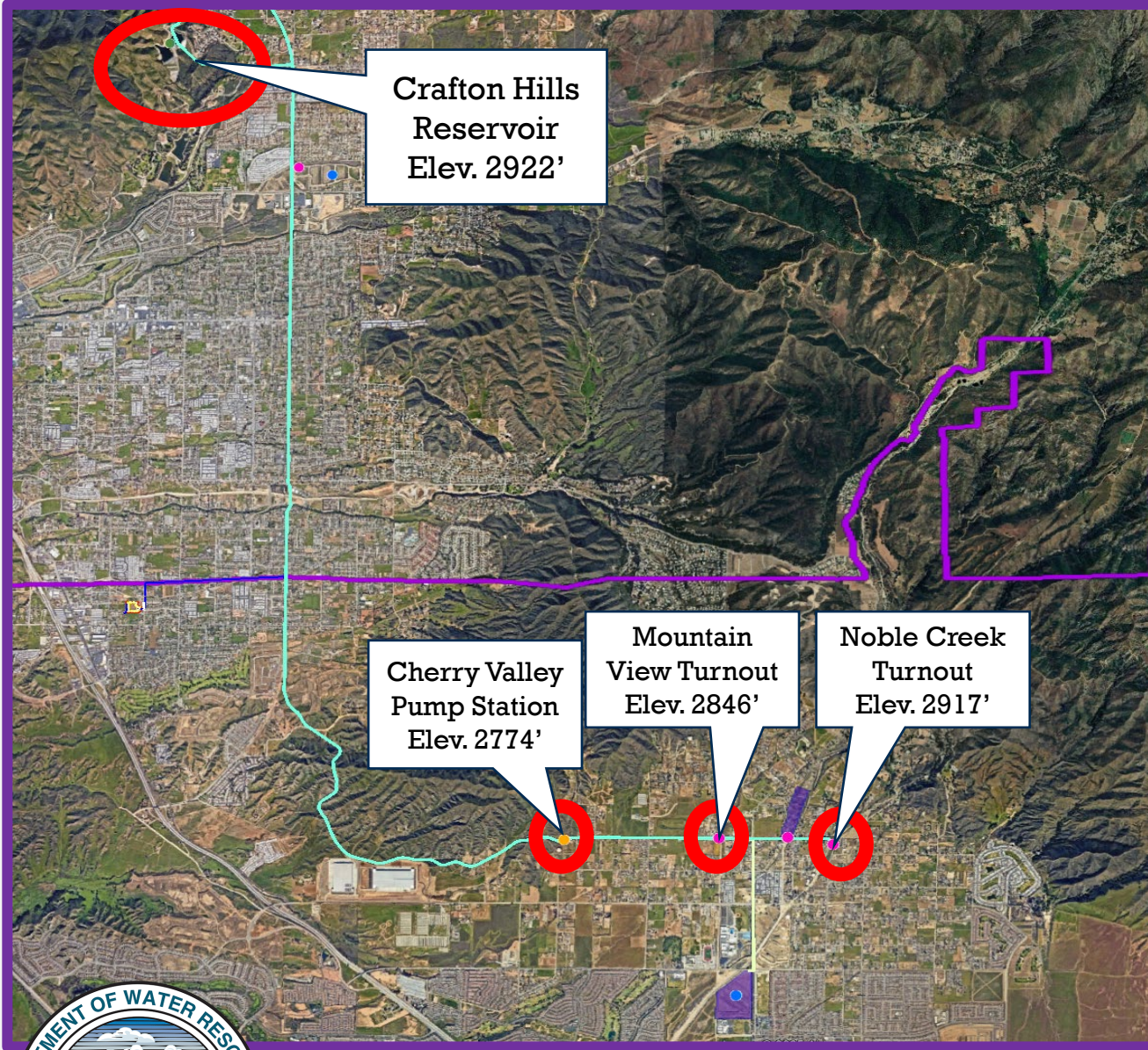
BCVWD Recharge Facilities



August Recharge Photos

Objectives and Key Questions -Cherry Valley Pump Station (CVPS) Gravity Flow Study

1. Assess the ability of CVPS to deliver SWP water via gravity from Crafton Hills Reservoir
2. Verify operational status of bypass valves at CVPS
3. Quantify the volume of water that can be delivered via gravity to the Mountain View and Noble Creek Turnouts
4. Identify specific operational steps required on SGPWA facilities to enable gravity deliveries
5. Evaluate the feasibility of using bypass valves during routine O&M outages to maintain deliveries



Gravity Flow Study

Results – CVPS Gravity Flow

Study Measured Flow Rates

- 8.4 CFS – Noble Creek Turnout via Cla-Val
- 17.4 CFS – Noble Creek Bypass
- 21.4 CFS – Mountain View Turnout via Cla-Val

Key Takeaways

1. Gravity flow from Crafton Hills Reservoir to CVPS & SGPWA turnouts is feasible
2. Water deliveries to recharge facilities can continue during CVPS O&M outages
3. Provides potential operational flexibility in lower Table A allocation years, with cost savings on variable charges



Flow Measurements from Gravity Study



Gravity Flow Study Results



San Gorgonio Pass Water Agency

DATE: August 18, 2025

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Emmett Campbell, Senior Water Resources Planner

SUBJECT: Consideration of a Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency and Antelope Valley-East Kern Water Agency

RECOMMENDATION

Authorize the General Manager to Execute the Memorandum of Understanding (“MOU”) Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency (“SGPWA”) and Antelope Valley-East Kern Water Agency (“AVEK”).

PREVIOUS CONSIDERATIONS

No Previous Considerations

BACKGROUND AND ANALYSIS

SGPWA and AVEK have discussed the potential expansion of AVEK’s existing Water Banking program within the Antelope Valley Groundwater Basin. Such an expansion could provide both agencies with enhanced water storage capacity and operational flexibility, improving long-term water supply reliability.

For SGPWA, participation in this effort will help diversify the Agency’s water portfolio, provide a reliable source of dry-year water, and create additional storage capacity for excess supplies in wetter years. Operational flexibility is another significant benefit: SGPWA is unable to take water deliveries during the month of January due to a scheduled local shutdown, making external storage essential for continuous supply management. Additionally, in some years, capacity constraints along the East Branch of the State Water Project limit deliveries to our area. AVEK’s service area is upstream of a major capacity bottleneck, which would allow SGPWA to store water in a location less affected by these constraints, thereby improving overall system flexibility and reliability.

The proposed MOU sets out the mutual intent of both agencies to collaborate on a feasibility study to evaluate the hydrogeological, technical, environmental, and regulatory aspects of the potential project. The study will also explore conceptual designs, operational strategies, and potential property acquisition needed for expansion.

Approval of this MOU would authorize staff from both agencies to work together in initiating the feasibility study process. This agreement does not obligate either agency to

proceed with project development, nor does it commit funds for the study at this time. A separate funding agreement, currently anticipated to allocate 80 percent of costs to SGPWA and 20 percent to AVEK, will be presented to the Board for approval at the appropriate stage of this project.

To meet the objectives of the MOU, the parties intend to:

- Conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area.
- Investigate regulatory, legal, and institutional frameworks that may apply to program implementation.
- Develop conceptual designs and operational strategies for the additional banking facilities.
- Share relevant data and expertise needed to support the evaluation process.
- Identify property and engage with landowner(s) regarding potential purchase option agreements.

Upon completion of the feasibility study, staff will present the findings to the Board and use the results to guide the development of a Water Banking and Exchange Agreement with AVEK. The study will provide the technical, environmental, and operational basis for negotiating terms, ensuring that the future agreement is supported by comprehensive analysis and planning.

STRATEGIC PLAN NEXUS

The MOU between SGPWA and AVEK helps advance various aspects of the Agency's Strategic Plan, including:

- Strategic Goal 1: Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.
 - ✓ Objective 6 – Expand water banking, local and abroad, for future utilization.
- Strategic Goal 2: Ensure a reliable delivery system that advances efficiency and resiliency.
 - ✓ Objective 2 – Develop additional recharge facilities to support conjunctive use.
 - ✓ Objective 6 – Investigate additional opportunities to increase water storage capabilities.
 - ✓ Objective 7 – Partner with other State Water Contractors to advance statewide infrastructure goals to preserve system reliability.

FISCAL IMPACT

This MOU will not result in any direct costs. A separate funding agreement will be presented to the Board for consideration at a later date.

ACTION

Authorize the General Manager to Execute the Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency and Antelope Valley-East Kern Water Agency.

ATTACHMENTS

1. Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin

MEMORANDUM OF UNDERSTANDING CONCERNING THE FEASIBILITY OF
EXPANDING AN EXISTING WATER BANK WITHIN THE AREA OVERLYING THE
ANTELOPE VALLEY GROUNDWATER BASIN

This Memorandum of Understanding (“MOU”) is effective as of August [REDACTED], 2025 (“Effective Date”), by and between the Antelope Valley-East Kern Water Agency (“AVEK”) and the San Geronio Pass Water Agency (“SGPWA”), each a “Party” and together, “the Parties.” This MOU sets forth the mutual understanding and intent of the Parties to collaborate on the preparation of a feasibility study and the pursuit of property acquisition under an option agreement for the expansion of AVEK’s water bank program.

Recitals

WHEREAS, the Parties are considering the establishment of a banking and exchange agreement within the area overlying the Antelope Valley Groundwater Basin as the area is defined in the Antelope Valley Groundwater Case, Judicial Council No. 4408, Santa Clara County Superior Court, Case No. 1-05-CV-049053 (“Basin Area”); and

WHEREAS, the Parties have engaged in preliminary discussions regarding a long-term Water Banking and Exchange Agreement; and

WHEREAS, the Parties desire to identify opportunities for beneficially expanding AVEK’s water bank program, integrating additional banking facilities with the existing infrastructure owned and operated by AVEK, and managing such additional facilities in the manner developed by AVEK (altogether, the “Project”); and

WHEREAS, to meet these objectives, the Parties intend to (a) conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area; (b) investigate regulatory, legal, and institutional frameworks that may apply to program implementation; (c) develop conceptual designs and operational strategies for the additional banking facilities; (d) share relevant data and expertise needed to support the evaluation process; and (e) identify property and engage with landowner(s) regarding potential purchase option agreement (altogether, the “Study”).

Terms and Conditions

1. The Recitals above constitute the factual basis upon which the Parties have entered into this MOU. The Parties acknowledge the accuracy of the Recitals and hereby agree to the incorporation of the Recitals into this MOU as though fully set forth herein.
2. The Parties intend to engage a consultant to prepare the Feasibility Study that shall include (a) groundwater modeling and hydrogeological analysis; (b) operation constraints regarding recharge, storage, and recovery capacities; (c) conceptual design and sizing of recharge, storage, and recovery infrastructure; (d)

environmental review under CEQA; (e) preliminary engineering and cost estimates; and (f) evaluation of water quality regarding the recovery of stored water. In the event that AVEK retains a consultant to prepare the Feasibility Study, the Parties will enter into a separate funding agreement for, among other things, the cost-sharing of the same. SGPWA agrees to fund eighty percent (80%) and AVEK agrees to fund twenty percent (20%) of the Feasibility Study.

3. AVEK will identify candidate properties suitable for the Project, considering hydrogeological, environmental, and logistical factors.
4. If the Parties ultimately elect to develop the Project following the Feasibility Study, the duties and obligations of the Parties in implementing the Project will be incorporated in a written agreement approved by both Parties.
5. The term of this MOU is two (2) years starting on the Effective Date. This MOU will automatically terminate two (2) years after the Effective Date, unless mutually agreed upon extension, or upon execution of a Water Banking and Exchange Agreement. Either Party may terminate this MOU sooner for any reason or no reason at all by providing thirty (30) days prior written notice to the other Party, provided that work previously authorized or ongoing is funded in accordance with Section 2 of these terms and separate funding agreement (if any).
6. This MOU is governed by the laws of the State of California.
7. The Parties represent that in executing this MOU they have relied solely upon their own judgment, belief, and knowledge, and the advice and recommendations of their own independently selected counsel.
8. This MOU does not obligate either Party to proceed with the proposed Project. It is intended solely to guide pre-development feasibility and identify properties for the Project.

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IN WITNESS WHEREOF, the Parties hereto have executed MOU by their duly authorized representatives.

San Geronio Pass Water Agency

By: _____

Name: Lance Eckhart

Title: General Manager

Antelope Valley-East Kern Water Agency

By: _____

Name: Matthew Knudson

Title: General Manager

DRAFT

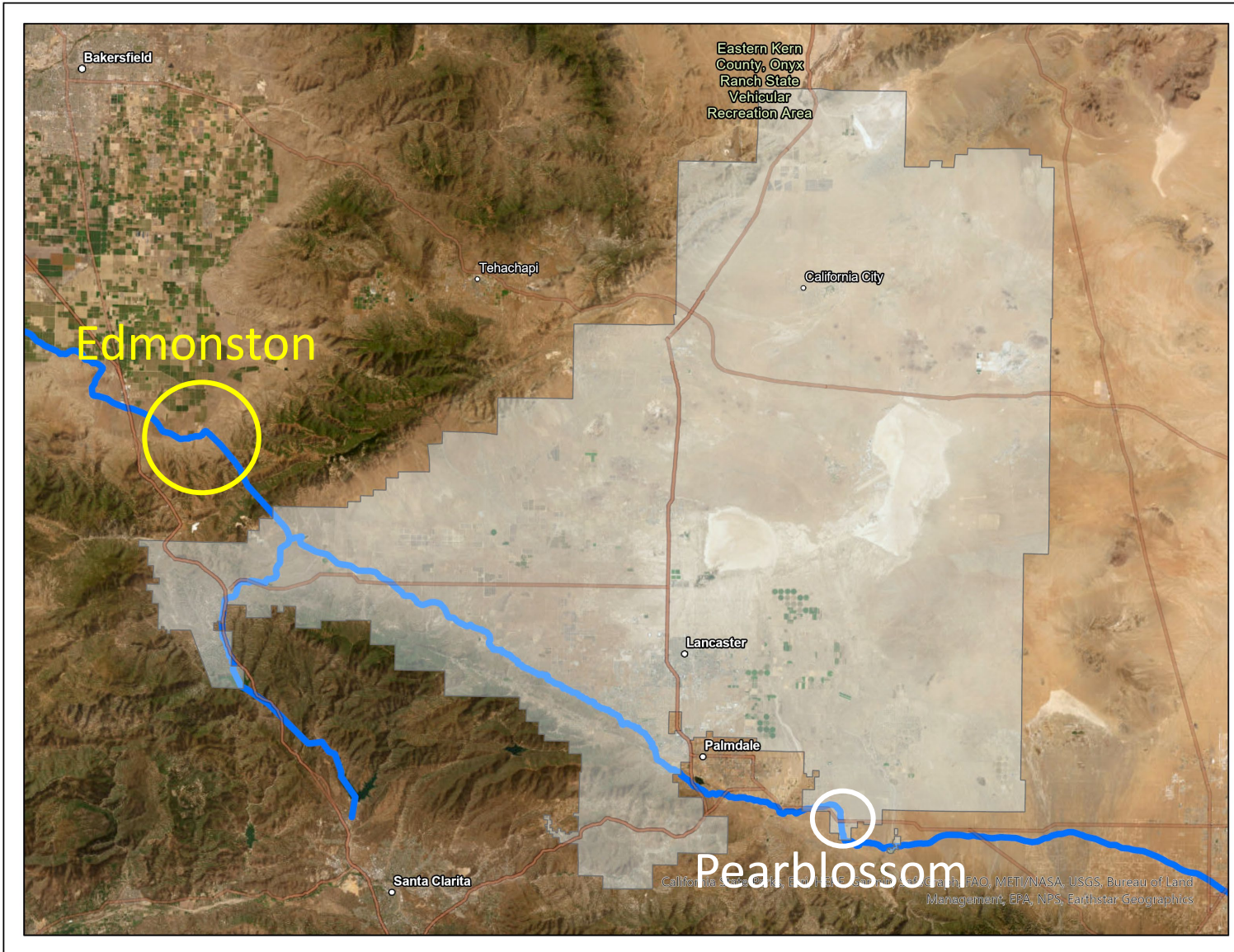
Consideration of a Memorandum of Understanding
Concerning the Feasibility of Expanding an Existing
Water Bank within the Area Overlying the Antelope
Valley Groundwater Basin Between the San Geronio
Pass Water Agency and Antelope Valley-East Kern
Water Agency

BOARD OF DIRECTORS

AUGUST 18, 2025

Why water banking?

- Maximizes water availability: Store excess water during wet years for use in dry years
- Increases drought resilience: Provides reliable dry year supply
- Enhances operational flexibility: Provides a location to store excess water during local outages
- Water supply diversification: Reduces reliance on a single source, improving overall reliability



SGPWA staff have been in discussion with AVEK to expand an existing water bank



Under the MOU, AVEK and SGPWA will engage in activities:

- Conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area.
- Investigate regulatory, legal, and institutional frameworks that may apply to program implementation.
- Develop conceptual designs and operational strategies for the additional banking facilities.
- Share relevant data and expertise needed to support the evaluation process.
- Identify property and engage with landowner(s) regarding potential purchase option agreements.

Recommendation

Authorize the General Manager to Execute the Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency and Antelope Valley-East Kern Water Agency